



Addendum
to the Airport Funding Rates Letter
State FY 2025
Date

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Airport Funding Rates FY 2025

Date

STATE GRANT, STATE SHARE

Project Type	NPIAS				NON-NPIAS			
	Sponsor Population Under 5000		Sponsor Population Over 5000		Sponsor Population Under 5000		Sponsor Population Over 5000	
	Existing FY 2024	New FY 2025	Existing FY 2024	New FY 2025	Existing FY 2024	New FY 2025	Existing FY 2024	New FY 2025
Construction, Planning, Zoning, Environmental, Land, Navigation Systems	75%	75%	70%	70%	95%	95%	95%	95%
Air Service Marketing	70%	70%	70%	70%	70%	70%	70%	70%
M & O	75%	75%	75%	75%	75%	75%	75%	75%
Fuel Systems and Fuel Trucks	70%	70%	70%	70%	70%	70%	70%	70%
Equipment (Requires Justification)	75%	75%	70%	70%	90%	90%	85%	85%

FEDERAL GRANT (AIP or IIJA), STATE SHARE

Project Type	NPIAS			
	Sponsor Population Under 5000		Sponsor Population Over 5000	
	Existing FY 2024	New FY 2025	Existing FY 2024	New FY 2025
90% FAA Participation	5%	5%	5%	5%
95% FAA Participation	2.5%	2.5%	2.5%	2.5%

Airport Sponsor Population

Airport sponsor populations are determined at the time of each new rates letter using the most recent yearly estimate from the Minnesota State Demographic Center. If there is joint ownership between two or more cities, the sum of the populations are used. If a joint owner is a county, the city population must be below 5,000 and the county population must be below 10,000 to qualify for the higher state participation rate.

Sponsor population UNDER 5000

Ada/Norman Co	Mahnomen	Warroad
Aitkin	Maple Lake	Waskish
Appleton	McGregor	Wells
Backus	Milaca	Wheaton
Bagley	Mora	Windom
Baudette	Morris	Winsted
Benson	Northome	
Big Falls	Olivia	
Bigfork	Orr	
Blue Earth	Ortonville	
Brooten	Park Rapids	
Canby	Paynesville	
Clarissa	Pelican Rapids	
Cook	Perham	
Dodge Center	Pine River	
East Gull Lake	Pipestone	
Elbow Lake	Red Lake Falls	
Ely	Remer	
Fertile	Roseau	
Fosston	Rush City	
Glenwood	Rushford	
Grand Marais	Sauk Centre	
Granite Falls	Slayton	
Grygla	Sleepy Eye	
Hallock	Springfield	
Hawley	St. James	
Hector	Staples	
Henning	Starbuck	
Herman	Stephen	
Hill City	Tower	
Jackson	Tracy	
Karlstad	Two Harbors	
Le Sueur	Tyler	
Littlefork	Wadena	
Longville	Walker	
Madison	Warren	

Sponsor population OVER 5000

Airlake	Montevideo
Albert Lea	Moorhead
Alexandria	Moose Lake
Anoka Co/Blaine	New Ulm
Austin	Owatonna
Bemidji	Pinecreek
Bowstring	Preston - Fillmore Co
Brainerd	Princeton
Buffalo	Red Wing
Caledonia	Redwood Falls
Cambridge	Rochester
Cloquet	South St. Paul
Crookston	St. Cloud
Crystal	St. Paul
Detroit Lakes	Thief River Falls
Duluth International	Waseca
Duluth Sky Harbor	Willmar
Eveleth	Winona
Fairmont	Worthington
Faribault	
Fergus Falls	
Flying Cloud	
Forest Lake	
Glencoe	
Grand Rapids	
Hibbing - Chisholm	
Hutchinson	
International Falls	
Long Prairie	
Lake Elmo - St. Paul	
Litchfield	
Little Falls	
Luverne	
Mankato	
Marshall	
Minneapolis/St. Paul	

Limits on Project Funding

There are limits on how much funding an airport sponsor can receive from the State Airports Fund (SAF) in a given year. Separate funding limits are set for state grants and federal grants. State grant funding limits are based on the state fiscal year (July 1 – June 30) and federal grant funding limits are based on the federal fiscal year (October 1 – September 30). Eligibility for funding does not guarantee that funding will be available or approved, and State Airports Funds are not committed until a grant is fully executed.

State Grants

For approved state-only grants, State Airports Funds (SAF) will be limited to \$1.0 million per airport per state fiscal year. Requests for funding over \$1.0 million may be provided as an exception, based on funds availability. These requests will be evaluated by the Office of Aeronautics and must receive approval from the Director of Aeronautics.

In order to qualify for state funding, requests need to be greater than \$5,000 in total project costs. This ensures that the operating costs to administer the grant are less than the grant amount benefiting the state airport system, allowing the state airports fund to go further towards our goals.

State funded amendments need to be greater than \$2,500 in total cost in order to be added to a project. State amendments will be limited at 15% of the total cost of the original grant amount. Planning and Equipment grants will not be amended. All amendments need to be approved by the Office of Aeronautics before additional project costs are incurred. Requests for amendment funding over 15% of the cost of the original contract may be provided as an exception, based on funds availability. These requests will be evaluated by the Office of Aeronautics and must receive approval from the Director of Aeronautics.

Federal Grants (AIP and IIJA)

State Airports Funds (SAF) may be used to supplement federal funding for federal AIP and/or IIJA grants. With approval, SAF may also be used to fund a portion of federally ineligible items related to an FAA eligible AIP or IIJA project. The sum of the state supplement to federal funding and the state share on federally ineligible items, based on the current funding rates, will be limited to \$400,000 per airport per federal fiscal year. Amendments are subject to the same state funding limits as state only grants for federally ineligible items. Amendments to federally eligible items will not receive the 5% state match.

If the state share on federally ineligible items alone exceeds \$400,000, then the entire state share of the federally ineligible costs may be allowed up to a limit of \$1.0 million. However, in this case, no state supplement to federal AIP or IIJA funding for the eligible portion of the project will be provided. An airport sponsor may request an exemption from the \$1.0 million limit for FAA ineligible portions of a project. Requests for funding over \$1.0 million may be provided as an exception, based on funds

availability. These requests will be evaluated by the Office of Aeronautics and must receive approval from the Director of Aeronautics.

Example:

Construction of a runway is included in the CIP as an AIP project for a NPIAS airport with a sponsor population over 5000. The runway width exceeds the FAA eligible width, so a portion of the runway width is FAA ineligible. If approved for state funding, the ineligible portion would receive 70% state funding based on the State Grant table and the FAA eligible portion would receive 5% state participation based on the Federal AIP Grant table.

Situation 1: The entire project costs \$1.0 million. The ineligible portion costs \$360,000, and the eligible portion costs \$640,000. The 70% state funding for the ineligible portion would be \$252,000, and the 5% state participation for the eligible portion would be \$32,000. The sum of the 70% state funding for the ineligible portion and 5% state participation for the eligible portion is \$284,000. Since this sum is less than the limit of \$400,000, the project could receive the full \$284,000 of SAF.

Situation 2: The entire project costs \$2.0 million. The ineligible portion costs \$500,000, and the eligible portion costs \$1.5 million. The 70% state funding for the ineligible portion would be \$350,000, and the 5% state participation for the eligible portion would potentially be \$75,000. The sum of the 70% state funding for the ineligible portion and 5% state participation for the eligible portion is \$425,000. Since this sum is greater than the limit of \$400,000, the state participation on the eligible portion would be reduced to \$50,000 for a total of \$400,000 of SAF.

Situation 3: The entire project costs \$3.0 million. The ineligible portion costs \$800,000, and the eligible portion costs \$2.2 million. The 70% state funding for the ineligible portion would be \$560,000, and the 5% state participation for the eligible portion would potentially be \$110,000. Since the state funding for the ineligible portion alone is greater than \$400,000, none of the \$110,000 state participation for the eligible portion would be funded, but the project could receive the full \$560,000 of SAF for the ineligible portion. This situation applies until the state share for the ineligible portion reaches a limit of \$1.0 million, at which point additional funds may only be provided if the funding is available and is approved by the Director of Aeronautics.